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AGENDA ITEM 4b

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** 2008 Open Enrollment Statistics
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information Only
- IV. BACKGROUND:**

This agenda item presents the results of movement during 2008 open enrollment, showing that 2 percent (12,351) of CalPERS 603,076 subscribers transferred into different health plans.

This item also includes information on growth in CalPERS NetValue and PERS Select plans, introduced in 2008.

V. ANALYSIS:

Transfer Summary

During 2008 open enrollment, 12,351 (2 percent) of CalPERS 603,076 subscribers transferred plans. This represents 27,457 total covered lives, 2.1 percent of 1,279,761 total covered lives. (Based on December 1, 2008 enrollment figures.) This is consistent with previous open enrollment periods where there were no major changes in plan offerings or benefit design.

Among the 12,351 transferring subscribers,

- 11,658 or 2.4 percent of the 477,496 Basic plan subscribers transferred, and
- 693 or 0.6 percent of the 125,580 Medicare subscribers transferred.

Open Enrollment - Movement Out of Plans

Blue Shield of California (BSC) Access+ – the traditional Blue Shield plan – had the largest number of subscribers transferring to other plans (4,533), with 34

percent (1,554) enrolling in BSC NetValue, 27 percent (1,244) in Kaiser, and 22 percent (1,006) in PERS Choice.

For PERS Choice, 2,900 subscribers transferred, with 1,640 enrolling in either BSC Access+ (35 percent) or Kaiser (22 percent).

Of Kaiser's 2,240 transferring subscribers, 63 percent (1,421) enrolled in one of the Blue Shield plans. Thirty percent (671) enrolled with BSC Access+, one-third (750) enrolled in NetValue, and 20 percent (439) enrolled in PERS Choice.

Of the 1,400 subscribers transferring from BSC NetValue, 48 percent (670) went to BSC Access+, 24 percent (341) enrolled in Kaiser, and 17 percent (239) enrolled in PERS Choice.

Open Enrollment - Movement into Plans

For BSC NetValue, more than half of the 2,670 subscribers enrolling (1,554) came from BSC Access+, 28 percent (750) from Kaiser, and 11 percent (282) from PERS Choice.

Of the 2,548 subscribers who transferred to BSC Access+, 39 percent (1,004) came from PERS Choice, 26 percent (670) from BSC NetValue, and 26 percent (671) from Kaiser.

For Kaiser, 51 percent (1,244) of the 2,448 subscribers transferring in came from BSC Access+. Twenty-six percent (636) came from PERS Choice and 14 percent (341) came from BSC NetValue.

For PERS Choice, 2,310 subscribers transferred in, with 1,006 (44 percent) coming from BCS Access+, 439 (19 percent) from Kaiser, and 239 (10 percent) from BCS NetValue.

Open Enrollment - Net Changes

The net change resulting from both transfers into and out of each plan shows the overall effect of plan-to-plan transfers. Following is the net percentage change in each plan's CalPERS subscriber base due to 2008 open enrollment movement, and the associated number of subscribers.

- Combining the net changes of Blue Shield Access+ and NetValue gives Blue Shield a total net loss of 715 subscribers, a decrease of 0.4 percent to its subscriber base.
 - BSC Access+ had a net loss of 1,985 subscribers or 1.5 percent.
 - BSC NetValue had a net gain of 1,270 or 2.9 percent.
- Kaiser and PERSCare each had net gains that increased their subscriber bases by less than one percent.

- California Association of Highway Patrolmen (CAHP) and PERS Choice had net losses that decreased their subscriber bases by less than one percent.
- California Correctional Peace Officers Association (CCPOA) had a net increase of 320 subscribers or 2.9 percent.
- PERS Select had a net increase of 413 subscribers or 15.6 percent.
- Peace Officers Research Association of California (PORAC) had a net increase of 251 subscribers or 3.4 percent.

Blue Shield - NetValue

In 2008, Blue Shield created its NetValue plan offering a High Performance Physician Network (HPN) featuring higher efficiency providers who meet quality of care standards at a lower premium cost. Blue Shield offers NetValue in 17 counties. NetValue's network includes 50 percent of the Primary Care Physicians and 49 percent of Specialists and OB/GYN physicians available in Access+.

As of January 2009, BCS NetValue has 45,514 subscribers, reflecting a 9 percent (3,680) increase from the prior year. Of these subscribers, 1,270 joined during open enrollment.

PERS Select

Also in 2008, CalPERS offered PERS Select, a new lower-cost Preferred Provider Organization (PPO) option. Similar to NetValue, PERS Select is a HPN that includes 2,300 physicians or 50 percent of the existing PPO network. The plan is available in all California counties with the exception of Alameda, Marin, Placer, and Solano.

Most of the growth in PERS Select for 2008 occurred outside open enrollment. Of the 98 percent (1,606) increase for the entire year, 413 subscribers joined during open enrollment.

Blue Shield HMO - Humboldt County

In May 2007, Blue Shield began offering its Health Maintenance Organization (HMO) plan in Humboldt County, marking the first time an HMO option has been available there since 2001. When initially offered, approximately one-third of Humboldt county subscribers chose the HMO option. After the 2007 open enrollment, Blue Shield's subscriber base increased nine percent (144).

As of January 2009, there are 5,484 subscribers in Humboldt County. Of these, 1,893 are Blue Shield (Access+ and NetValue) subscribers, a 5 percent (92) increase from the prior year.

January 2009 Member Distribution

As a result of all enrollment activity throughout 2008, including 2008 open enrollment movement, CalPERS January 2009 enrollment data show the following distribution of total covered lives (TCLs) in CalPERS health plans.

Plan	Jan 2009 TCLs	Percent
Kaiser (incl out-of-state)	471,433	37%
Blue Shield Access+	293,990	23%
PERS Choice	248,247	19%
Blue Shield NetValue	109,289	8%
PERSCare	69,227	5%
CCPOA	36,397	3%
CAHP	29,169	2%
PORAC	20,123	2%
PERS Select	6,847	1%
Total	1,284,722	100%

VI. STRATEGIC PLAN:

This is an information item summarizing the impact of the Board's strategic decisions on subscriber plan choices during 2008 open enrollment.

VII. RESULTS/COSTS:

This is an information item only.

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